



EDA Special Meeting - Immediately Following

CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, February 14, 2012

6:30 p.m.

Coon Rapids City Center

Council Chambers

Call to Order

Roll Call

Adopt Agenda

Public Hearing

1. Economic Development Assistance for American Preclinical Services, LLC, 8945/8960 Evergreen Boulevard:
 - a. Public Hearing, 6:30 p.m.
 - b. Cons. Resolution 12-38 Authorizing the Economic Development Authority to Expend Excess Tax Increments in the Form of a Grant in the amount of \$350,000.

New Business

2. Approve Designation of Revenues from Charitable Gambling and TC Gateway to the Community Strength Foundation

Other Business

Adjourn



City Council Special

1.

Meeting Date: 02/14/2012

Subject: Economic Development Assistance for American Preclinical Services, LLC, 8945/8960
Evergreen Boulevard

From: Matt Brown, Community Development
Specialist

INTRODUCTION

The Council is asked to authorize the Economic Development Authority to expend excess tax increment funds, as authorized by the State of Minnesota's 2010 Jobs Bill, to provide economic development assistance to American Preclinical Services, LLC.

DISCUSSION

In an effort to provide cities with an economic development stimulus tool, the 2010 Legislature approved a temporary provision to TIF law allowing for the use of cash balances in TIF districts to be used for loans and assistance for any project that creates jobs, including construction jobs.

American Preclinical Services (APS), which currently has approximately 75 employees in Coon Rapids, proposes an expansion project. APS performs preclinical research for companies developing medical devices. APS currently owns its 44,000 square foot facility at 8945 Evergreen Boulevard. The proposed expansion project involves substantially rehabilitating 18,000 square feet of space in a currently vacant building at 8960 Evergreen Boulevard, across the street from the existing facility. APS plans to create at least 40 new jobs within two years of completing the project. In order to facilitate the \$2.6 million construction project, staff proposes a grant in the amount of \$350,000, funded by existing cash balances in TIF districts. This expenditure is allowable under the TIF provisions of the 2010 Jobs Bill, which were extended by the Legislature in 2011.

In August 2011, the City Council considered Resolution 11-51 modifying the budget of TIF district 1-6 to allow for such expenditures. In order to expend these cash balances, the Council must hold a public hearing and consider a spending plan that specifically authorizes an authority, in this case the Economic Development Authority, to make the expenditure. Resolution 12-38 includes the spending plan and the authorization.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Community Development and Redevelopment** section of the 2030 Strategic Vision in the following way:

Supports the City's *Economic Development Strategy* by retaining and expanding businesses in the life science industry.

RECOMMENDATION

Staff recommends that the Council:

- a) Hold a public hearing; and
- b) Adopt Resolution 12-38 authorizing the Economic Development Authority to expend excess tax increments in the form of a grant to American Preclinical Services, LLC in the amount of \$350,000.

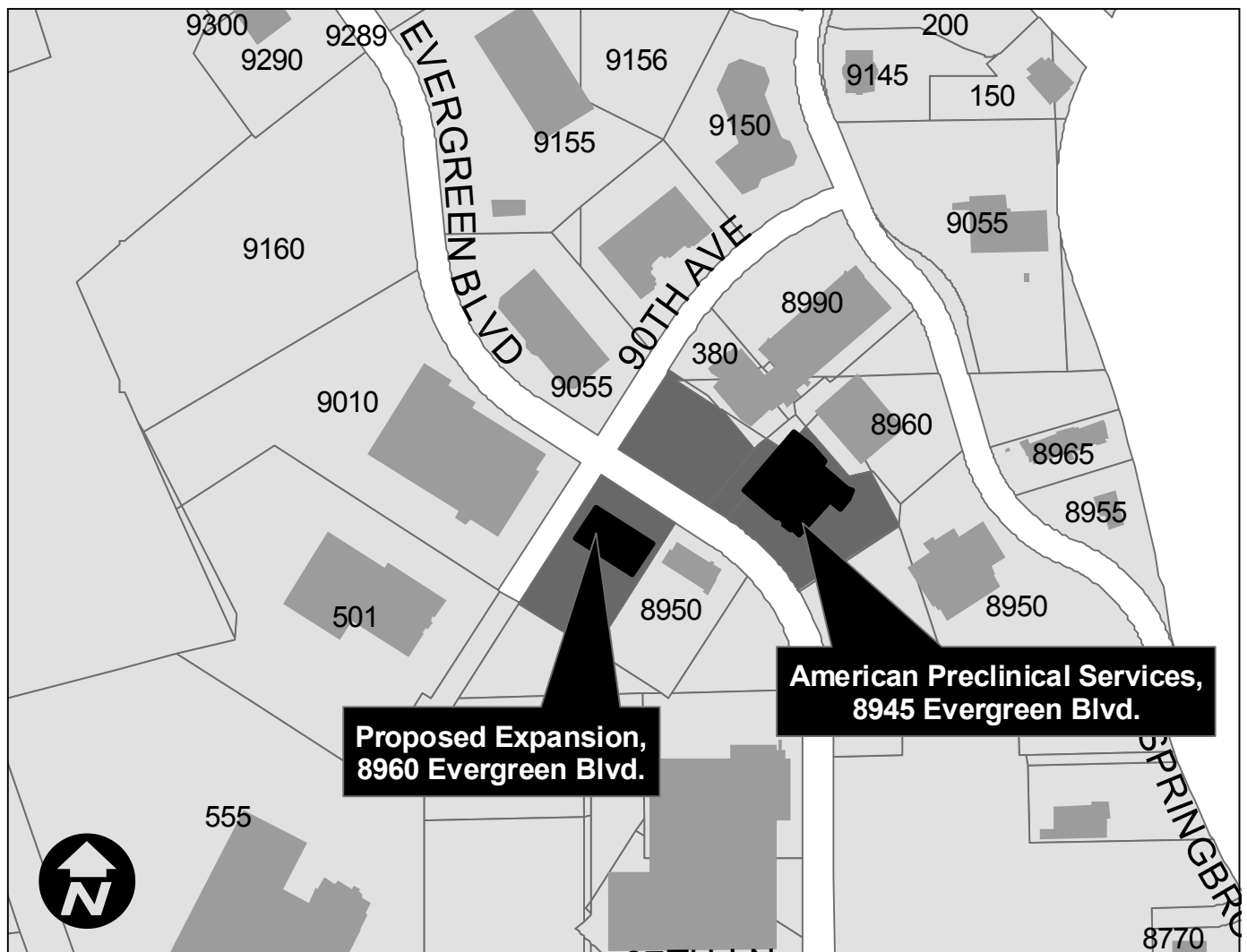
Fiscal Impact

BUDGET IMPACT:

Funding for the assistance will come from TIF District 1-6. These funds have limited uses. There is no budget impact to City's the general fund.

Attachments

Location Map
resolution



RESOLUTION 12-38

RESOLUTION AUTHORIZING THE EXPENDITURE OF EXCESS TAX INCREMENTS FROM TAX INCREMENT FINANCING DISTRICT 1-6 FOR AMERICAN PRECLINICAL SERVICES, LLC

WHEREAS, the 2010 Minnesota Legislature provided municipalities temporary authority under the 2010 Jobs bill to utilize tax increments from an existing tax increment district for the purposes of providing improvements, loans, interest rate subsidies or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state, including construction jobs, and construction commences before January 1, 2012; and

WHEREAS, the Coon Rapids City Council has modified the budget of Tax Increment Financing District 1-6 by Resolution 11-51 to allow for eligible expenditures of tax increments under the 2010 Jobs bill; and

WHEREAS, American Preclinical Services, LLC (APS) that performs preclinical research for companies developing medical devices proposes to substantially rehabilitate 18,000 square feet of space at 8960 Evergreen Boulevard, retain at least 75 full time positions, and create at least 40 new position paying an average wage of \$19.00 per hour, excluding benefits; and

WHEREAS, the expansion by APS aligns with the objectives and goals of the City's economic development strategy to promote the growth and expansion of companies and jobs in Coon Rapids in the bioscience industry; and

WHEREAS, APS is financing \$2,300,000 of the project; and

WHEREAS, additional assistance from the City is necessary to fully fund the required improvements; and

WHEREAS, the City gave notice of a public hearing before the City Council regarding the expenditure of the tax increment on January 27, 2012 and held the public hearing at its meeting on February 14, 2012.

NOW THEREFORE, BE IT RESOLVED by the City Council of Coon Rapids, Minnesota that the Economic Development Authority in and for the City of Coon Rapids is authorized to expend excess tax increments in the form of a grant in the amount of \$350,000 from Tax Increment Financing District 1-6 for the purpose of substantially rehabilitating 18,000 square feet of space at 8960 Evergreen Boulevard in Coon Rapids, Minnesota, retaining 75 existing positions and creating at least 40 new positions.

Adopted this 14th day of February, 2012.

Tim Howe, Mayor

ATTEST:

Catherine M. Sorensen, City Clerk



City Council Special

2.

Meeting Date: 02/14/2012

Subject: Community Strength Foundation Financial Support

From: Matt Fulton, City Manager

INTRODUCTION

The City Council is being requested to consider allocating a portion of certain charitable gaming and other grant funds toward the new Community Strength Foundation to assist it in accomplishing its mission.

DISCUSSION

The Community Strength Foundation was established in 2011. Its mission is to: "Promote and enhance the quality of life in the City of Coon Rapids by supporting community celebrations and events." The Foundation's Board of Directors is comprised of community representatives of local service clubs, charitable gaming organizations, City Advisory Commissions, Fire Relief Association, and general community members. It is not a City organization, although the idea and original leadership came from Mayor Howe with certain staff assistance. As a non-profit organization, there are no formal funding sources so they look to receive grants and donations from individuals, organizations, and other appropriate sources. The funds received will be used to accomplish its mission. One of the primary events will be to support the summer Fireworks Celebration at Sand Creek Park.

The City Council met on February 8 to discuss ways to support the financial needs of the Foundation and, in turn, community events and celebrations. The City currently receives approximately \$18,000/year from the 5% contribution made from the local charitable gaming license holders. It also receives a grant from TCGateway in the approximate annual amount of \$10,000. After discussion, the Council thought it would be appropriate to allocate 90% of the revenue received from these two funding sources to the Foundation, retaining the remaining 10% for other projects deemed appropriate by the Council.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Quality of Life** portion of the 2030 Strategic Vision in the following way: this community-based Foundation is formally established to further enhance the quality of life in the community and to support celebrations and events.

RECOMMENDATION

Council is requested to formally indicate its intent to annually contribute 90% of the revenues received from the 5% Charitable Contribution required to be made by local charitable gaming license holders as well as 90% of the annual community grant made by TCGateway to the Community Strength Foundation.

Fiscal Impact

BUDGET IMPACT:

There will not be any tax dollars used as part of this action. The annual charitable gaming contribution will vary annually depending on the success of the charitable gaming organizations. Since the inception of the required charitable gaming 5% contribution, \$41,500 has been contributed to the City, making the 90% contribution equal to \$37,350. In 2012, the TCGateway contribution will be approximately \$10,000 making the contribution to the Community Strength Foundation \$9,000. The Foundation will accept and promote contributions to be made from other sources as well in meeting its mission.
